

**MAPFRE SUCCESSFULLY CLOSES A 500 MILLION EURO
SUBORDINATED BOND ISSUANCE**

It is the first issue of this kind by a European insurer since March

MAPFRE has successfully placed the notes of a 30-year subordinated bond, with the call option at 10 years, for a total of 500 million euros, with a fixed interest rate set at 4.125 percent for the first ten years. The funds coming from this transaction will be used to further strengthen the Group's financial flexibility, in addition to diversifying its sources of financing.

"This issuance further proves the confidence institutional investors have in MAPFRE. We have achieved very satisfactory financial conditions even in the current complex market environment," said Fernando Mata, CFO of the company. It is the first issue of subordinated debt by a European insurer since March.

The success of the transaction can be seen in the reduction of the interest paid with respect to previous operations (4.125 vs. 4.375% in March 2017) and in the high demand, which exceeded 700 million euros, with broad diversification, which allowed for the bond to be placed among over 80 institutional investors in several European countries, highlighting Germany (20 percent of the total issuance), Italy (19 percent), United Kingdom (17 percent) France (14 percent) and Spain (13 percent).

Mutual fund managers represent the vast majority of the investors that have participated in the placement (67 percent of the total), followed by insurers and pension fund managers (25 percent).

This issuance is considered to be Solvency II compliant Tier 2 capital, thus reinforcing MAPFRE's solvency and financial strength levels. The notes will be

quoted on the AIAF market, upon authorization from the Spanish Securities and Exchange Commission (CNMV).

MAPFRE is a global insurance company with a worldwide presence. It is the benchmark insurer in the Spanish market and the largest Spanish multinational insurance group in the world. The company is the leading multinational insurer in Latin America and is one of the Top 5 largest Non-Life insurers in Europe by premium volume. MAPFRE has more than 36,000 employees and in 2017, the company's revenues totaled almost 28 billion euros, with net earnings of 701 million euros.

For more information, please visit <https://noticias.mapfre.com/en/>

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MAPFRE Corporate Communication (Tel: +34 91 581 91 68; +34 91 581 87 14); email: juanfrances@mapfre.com; javier.fernandez@mapfre.com).